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## House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, January 29, 2002, at 12:30 p.m.

## Senate

MONDAY, JANUARY 28, 2002

The Senate met at 3 p.m. and was called to order by the President pro tempore (Mr. BYRD).

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation, we begin the work of this week with an acute sense of our accountability to You. We claim Solomon's promise, "In all your ways acknowledge Him, and He shall direct your paths."—Prov. 3:6. In response, we say with the psalmist, "Let the words of our mouths and the meditations of our hearts be acceptable in Thy sight, O Lord."—Psalm 19:14. Help us to remember that every thought we think and every word we speak is open to Your scrutiny. We commit this week to love You with our minds and to honor You with our words. Guide the crucial decisions ahead. Bless the Senators with Your gifts of wisdom and vision. Grant them the profound inner peace that results from trusting You completely. Draw them together in oneness in diversity, unity in patriotism, and loyalty in a shared commitment to You. And may these who lead honor and encourage their leaders here in the Senate: TOM DASCHLE, TRENT LOTT, HARRY REID, and DON NICKLES. In the name of our Lord and Saviour. Amen.

### PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Repub-

lic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Nevada.

### SCHEDULE

Mr. REID. Mr. President, today we will be working again on the economic recovery legislation. We hope that Senators will offer amendments today and debate their measures. We hope we can have rollcall votes on these measures beginning tomorrow morning. There will be rollcall votes tomorrow morning. The leader has said he wants some votes, so we will have some votes tomorrow morning whether on this or some other matters.

### RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

### HOPE FOR CHILDREN ACT

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 622, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes.

Pending:

Daschle/Baucus amendment No. 2698, in the nature of a substitute.

Durbin amendment No. 2714 (to amendment No. 2698), to provide enhanced unemployment compensation benefits.

Nickles (for Bond) amendment No. 2717, to amend the Internal Revenue Code of 1986 to provide for a temporary increase in expressing under section 179 of such code.

Reid (for Baucus/Torricelli/Bayh) amendment No. 2718 (to amendment No. 2698), to amend the Internal Revenue Code of 1986 to provide for a special depreciation allowance for certain property acquired after December 31, 2001, and before January 1, 2004.

Reid (for Harkin) amendment No. 2719 (to amendment No. 2698), to provide for a temporary increase in the Federal medical assistance percentage for the medicaid program for fiscal year 2002.

Allen amendment No. 2702 (to the language proposed to be stricken by amendment No. 2698), to exclude from gross income certain terrorist attack zone compensation of civilian uniformed personnel.

Reid (for Baucus) amendment No. 2721 (to amendment No. 2698), to provide emergency agriculture assistance.

The PRESIDENT pro tempore. Who seeks recognition?

The Senator from Kentucky, Mr. BUNNING.

### AMENDMENT NO. 2699, AS MODIFIED

Mr. BUNNING. Mr. President, I have an amendment at the desk, as modified. I call up amendment No. 2699.

The PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. BUNNING] proposes an amendment numbered 2699, as modified, to the language proposed to be stricken by amendment No. 2698.

The amendment, as modified, is as follows:

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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S153

(Purpose: To provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies, and for other purposes)

At the end of the bill add the following:

**SEC. \_\_\_\_ EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY TO PAYMENTS BY QUALIFIED PLACEMENT AGENCIES.**

(a) IN GENERAL.—The matter preceding subparagraph (B) of section 131(b)(1) (defining qualified foster care payment) is amended to read as follows:

“(1) IN GENERAL.—The term ‘qualified foster care payment’ means any payment made pursuant to a foster care program of a State or political subdivision thereof—

“(A) which is paid by—

“(i) a State or political subdivision thereof, or

“(ii) a qualified foster care placement agency, and”.

(b) QUALIFIED FOSTER INDIVIDUALS TO INCLUDE INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGENCIES.—Subparagraph (B) of section 131(b)(2) (defining qualified foster individual) is amended to read as follows:

“(B) a qualified foster care placement agency.”

(c) QUALIFIED FOSTER CARE PLACEMENT AGENCY DEFINED.—Subsection (b) of section 131 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) QUALIFIED FOSTER CARE PLACEMENT AGENCY.—The term ‘qualified foster care placement agency’ means any placement agency which is licensed or certified by—

“(A) a State or political subdivision thereof, or

“(B) an entity designated by a State or political subdivision thereof,

for the foster care program of such State or political subdivision to make foster care payments to providers of foster care.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Mr. BUNNING. Mr. President, I ask unanimous consent that Senator INHOFE be added to this amendment as a cosponsor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BUNNING. Mr. President, I rise today to offer an amendment to the underlying bill.

My amendment corrects an inconsistency in the Tax Code that unfairly punishes foster care families and the foster care family members for whom they care.

Many families that take in foster care family members receive a stipend from the placement agency to help provide this care.

These stipends help defray the costs for food, shelter, and the basic necessities.

In some cases, families get these stipends tax-free. But in others, families pay taxes on them as if they were ordinary income.

My amendment replaces this patchwork system by providing a single, blanket rule that gives equal treatment to all of these stipends by simply excluding them from taxation.

Because real world changes in foster care have outpaced the Tax Code, we

presently have a situation where stipends are taxed depending on the age of the foster care family member, and whether or not they were placed by a for-profit agency or a nonprofit agency.

This makes no sense.

Presently, if the placement is done by a for-profit agency, or if the foster family member is over 18, the stipends are taxed.

It is only if the foster family member is placed by a not-for-profit and they are under 18 that the stipends are not taxed.

This is a distinction without a difference.

It shouldn't matter if the stipends come from a for-profit or a nonprofit agency, or if it is a needy individual who is 12 or 42.

We shouldn't tax love and compassion on such an arbitrary basis.

Instead of sending a tax bill to the foster parents who are doing the right thing, we should give them a break and encourage their good intentions.

What is important is that these needy individuals are getting help, and the families who help by offering to help should not be penalized for their good deeds.

Instead of punishing foster care, we should reward it.

My amendment helps to do just this by making it more attractive and more affordable to take in foster care family members.

This is a noncontroversial, bipartisan idea. In fact, this proposal passed Congress as part of the 1999 tax bill that was vetoed by President Clinton. It also passed the House last year on two separate occasions as both a stand-alone bill and as part of the centrist stimulus package, H.R. 3529.

I have been working on this issue for almost 5 years, and I have never heard one bit of criticism about it.

It is a commonsense improvement to the Tax Code that would immediately benefit families by letting them keep more of the money that they receive for the foster care of children of any age.

And it has the added, more important, benefit of promoting care and compassion for some of our most needy individuals.

There are hundreds of thousands of children and adults in foster care. Both they and the families who are looking after them would benefit from my amendment.

My amendment is nothing new to Congress. But let's make it new to those foster care families all across the Nation.

Foster parenting is hard work. The stipends are very small. Foster care families and their charges deserve and need tax relief and fairness as much as anyone else.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDENT pro tempore. Is there a sufficient number?

There is a sufficient number.

The yeas and nays were ordered.

Mr. BUNNING. Mr. President, I yield the floor.

The PRESIDENT pro tempore. The Senator from Nevada.

RECESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate stand in recess until 4 o'clock today.

There being no objection, the Senate, at 3:11 p.m., recessed until 3:59 p.m. and reassembled when called to order by the Presiding Officer (Mr. REID).

The PRESIDING OFFICER (Mr. LEVIN). The Senator from South Carolina is recognized.

## THE STIMULUS BILL

Mr. HOLLINGS. Mr. President, last week we were debating the stimulus bill. In that regard, there was some discussion by some of the leadership on the other side of the aisle to the effect that they were asking for all these tax cuts. However, on Saturday morning I listened to the President. I heard him in his weekly radio address.

He said:

I urge it to pass a strong stimulus bill, the one that passed the House last year.

So there is no question that the issue of tax cuts as a stimulus is still one of the main issues to this particular Senator, and it really hackles this Senator in that we don't have any taxes to cut. We don't have any revenues. We don't have any surplus. I have been saying this ever since we balanced the budget back under Lyndon Baines Johnson. I will never forget at that particular time George Mahon on the House side, the distinguished Congressman from Texas, was chairman of the Appropriations Committee and we were working in December, after the November elections; and in that particular December session it looked like in order to balance that budget, pay down the debt, not increase it, not have a deficit, that we needed some \$5 billion more in cuts. We called over to Marvin Watson and said: “Ask the President will he go along with another cut of some \$5 billion.” We did it at that particular time, and we balanced the budget for 1968–1969. We were in the black as we ended that particular year. It was right at \$2.9 billion.

Mr. President, I ask unanimous consent to have printed in the RECORD at this particular point the deficits and interest costs over the past half century, since President Truman in 1947, including President Bush today.

There being no objection, the material was ordered to be printed in the RECORD, as follows: